



North Carolina Department of Health and Human Services
Division of Budget and Analysis
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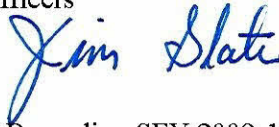
Beverly Eaves Perdue, Governor
Lanier Cansler, Secretary

James B. Slate, Jr., Director

July 31, 2009

MEMORANDUM #2009-10

TO: Division Directors
Office Directors
Budget Officers

FROM: Jim Slate 

RE: Guidance Regarding SFY 2009-10 Budget Management Restrictions
Hiring and Personnel Actions

In connection with Executive Order Number 20 issued by the Governor on July 24, 2009, a memorandum from OSBM titled "Fiscal Year 2009-10 Budget Management Restrictions" was sent to your agency detailing restrictions that have been put into place for SFY 09-10. We are writing to provide additional guidance as it relates to hiring and other personnel action limitations under these policies.

All DHHS positions, including time-limited and temporary, and salary actions are frozen effective July 24, 2009. Hiring commitments made prior to July 24, 2009, verbally or in writing between the hiring agency and the prospective employees detailing the salary and start date may be honored. This limitation does not apply to existing vacancies that are filled by an employee's return from leave without pay/absence in accordance with state personnel policies.

Posting and Filling of Critical Care Positions:

An exception to this policy may be made for positions that provide direct classroom instruction, positions critical to law enforcement, health care, public safety and positions related to the custody and care of persons for whom the state is responsible.

- Posting of Critical Care positions, per the list posted on the DHHS-Human Resources website, may be made without prior agency approval.
- Interviewing for and filling Critical Care positions will require the approval of the respective Assistant or Deputy Secretary via use of the existing freeze release process.

- Positions approved by the Department must be reported to OSBM one week in advance of a position being offered. Please use the attached OSBM form, *Agency Head Report of Special Personnel Exceptions*, to report to OSBM on agency approved personnel actions. Reports should be submitted to your respective Assistant/Deputy Secretary with a copy to the respective Analyst in the Division of Budget and Analysis. The Division of Budget and Analysis will forward the report to OSBM. One week following this submission, barring any objection from the Office of State Budget, the Division may proceed with making an offer for the vacant position.
Note: Promotional increases continue to be limited to 5% or to the minimum of the new pay grade [or SMR], whichever is greater. This same limit shall apply to career-banded promotions.

Posting and Filling Non-Critical Care Positions:

All non-critical care vacancy postings are frozen until further notice except in very limited circumstances where the respective Assistant Secretary, Deputy Secretary and Secretary agree that filling the position is time sensitive and critical to achieving and maintaining the Department's mission and integrity. The Department will need to seek agreement from the OSBM for non-critical care position vacancy exceptions. Required documentation using the department's existing freeze process to request exceptions for non-critical care positions include:

1. Number of total and filled positions in that job title in the requesting division/facility/school
2. Impact of not filling the position
3. Other key information pertaining to the core mission, workload and operational factors
4. Please also indicate if (and how much) salary reserve will be required as part of an anticipated offer.

This information should be submitted to your respective Deputy/Assistant Secretary with copies to your analyst in this office. Upon their approval, the Division of Budget & Analysis will proceed with seeking OSBM approval for an exception to the hiring freeze.

Guidelines for Salary Actions and Trainee/Minimum-SMR Adjustments

With the exception of the aforementioned salary increases associated with critical care staffing promotions, no other promotions, reallocations (position reclassifications), career-banding or in-range adjustments or any other salary adjustments may be made at this time.

Salary adjustments within an established trainee schedule/progression or up to the minimum/SMR upon completion of the trainee period can be processed without prior approval.

All other salary adjustments remain under a hard freeze and any requests for exceptions should be routed to an Assistant/Deputy Secretary or Secretary using the freeze process.

Reduction-in-Force [RIF] Placement and Re-employment

- *Critical Care:* An employee who has received official notice of impending reduction in force may be placed or re-employed in a Critical Care position if salary reserve is not required. If salary reserve is required, then the above freeze guidelines for "Posting and Filling Critical Care Positions" apply. If salary reserve is required, the unfreeze form should note under "Other Salary Action" that this is a RIF placement or re-employment to include relevant employee, salary, position and budget information. Any placement or re-employment of an employee is subject to prevailing policies governing reduction in force.
- *Non-Critical Care:* A non-Critical Care position requires the guidelines above to be applied for "Posting and Filling Non-Critical Care Positions" before an employee can be placed. Any placement or re-employment of an employee is subject to prevailing policies governing reduction in force.

We would like to thank you once again for your continued efforts in managing through this process. The Division of Budget and Analysis will be available to answer any additional questions that you might have as it relates to these policies.

JBSjr:RK:gg

Attachment

cc: Lanier Cansler
Allen Feezor
Maria Spaulding
Dan Stewart
Jennifer Hoffman, OSBM
Pam Kilpatrick, OSBM
Division/Facility HR Managers